

## Advantage Asphalt Procurement Memo

June 30, 2010

**Purpose:** Atkinson created this memo to document procurement activities surrounding the procurement of services from Advantage Asphalt.

**Objectives:**

1. Atkinson will review bid files and review all bid submittals to determine whether a competitive bid process was followed for each contract entered into with Advantage Asphalt.
2. Atkinson will review all payments to Advantage Asphalt during FY10 to determine whether amounts were properly recorded and applied to the correct business unit. Also to determine whether payment exceeded maximum amounts allowed under contracts.
3. Atkinson will perform a physical walkthrough of jobs completed by Advantage Asphalt.
4. Atkinson will review composition reports from a 3<sup>rd</sup> party to determine whether NMDOT specifications were being met by Advantage Asphalt.

**Testing:**

1. Atkinson obtained from the City Clerk's office a listing of open contracts with Advantage Asphalt. We then went to the Purchasing Division and obtained the complete bid files. We reviewed each bid file to determine if a competitive bid process per City requirements was followed. A complete listing of bid files reviewed by Atkinson is located in the table below. The winning bid(s) are highlighted in yellow.

RFB	Bid submitter	Bid Amount with Local Preference
<b>City Wide Water Utility Pavement Restoration Contract</b>		
<b>10/01/B</b>	Advantage Asphalt & Seal Coating	75,924.00
	Sub Surface Contracting, Inc.	96,262.08
	Sparling Construction Company, Inc.	100,358.72
	R.L. Leeder Company	215,868.35

**City Wide Sewer Line Spot Repair Contract**

<b>10/05/B</b>	<b>Advantage Asphalt &amp; Seal Coating</b>	70,890.09
	TLC Plumbing & Utility	81,369.90
	Triman Construction Industries	85,909.69
	AUI Inc.	88,476.17
	K.R. Swerdfeger Construction Inc.	100,552.50
	A.A.C Construction LLC	105,187.50

**Ferguson Well Wall Construction**

<b>10/13/B</b>	<b>Advantage Asphalt &amp; Seal Coating</b>	67,904.10
	Done Right Construction	74,435.31
	Sub Surface Contracting, Inc.	86,580.68
	Padilla Industries Inc.	99,072.00
	Rockscapes of New Mexico	100,421.14
	RCC, LLC	118,607.01
	K.R. Swerdfeger Construction Inc.	161,442.00

**Pueblos del Sol Asphalt Concrete Trails**

<b>09/01/B</b>	<b>Advantage Asphalt &amp; Seal Coating</b>	148,380.88
	R.L. Leeder Company	304,697.56
	Star Paving, Inc.	426,870.69

**Santa Fe River Trail Construction**

<b>09/42/B</b>	<b>Advantage Asphalt &amp; Seal Coating</b>	907,219.43
	A.S. Horner, Inc.	1,124,163.38
	Star Paving, Inc.	1,080,329.76
	R.L. Leeder Company	1,250,169.75
	Hasse Contracting Co. Inc.	1,506,328.30
	Moore & Cowart Contractors Inc.	1,704,070.09

<b>On Call Concrete Construction Services</b>		
<b>08/21/B</b>	<b>Advantage Asphalt &amp; Seal Coating</b>	898,009.70
	A.S. Horner, Inc.	1,084,864.00
	Star Paving, Inc.	1,309,171.00
	TLC Plumbing & Utility, Inc.	1,448,634.50
	AUI, Inc.	1,353,106.00

<b>On Call Concrete &amp; Miscellaneous Construction Services</b>		
<b>08/37/B</b>	<b>Advantage Asphalt &amp; Seal Coating</b>	1,994,359.73
	<b>H.O. Construction, Inc.</b>	2,187,569.85
	Star Paving, Inc.	2,549,613.28
	TLC Plumbing & Utility, Inc.	2,666,923.60

- Atkinson obtained all contracts for Advantage Asphalt that were in effect during FY10. Atkinson received these contracts from the City Clerk's office. The contracts are summarized at **WP1347.2**. Atkinson then obtained from Enterprise 1, a summary of all payments made to Advantage from the effective date of the earliest contract (2/13/2008)

to 6/30/2010. We compared in aggregate the sum of the payments to the total amount listed within the contracts to determine if Advantage was paid in excess of contract amounts. See **WP1347.2** for test work and conclusions.

Atkinson also obtained the A/P file for Advantage Asphalt and reviewed all expenditures for FY10. Atkinson used this file to determine whether amounts were properly recorded and applied to the correct business unit. Using the City's accounting system, Enterprise 1, we confirmed the amounts and business unit on the expenditure were posted properly into Enterprise 1 and payment was approved by the responsible project lead or delegate. See **WP1347.2** for test work. Atkinson also inquired of all project engineers the method for ensuring amounts invoiced by Advantage Asphalt was actually performed in the field. In all instances, the project engineers are in the field verifying work is satisfactorily completed prior to submitting invoices to accounts payable for payment.

3. Atkinson met with the responsible project leads for each contract listed at **WP1347.3X** and obtained project information with respect to each contract. The project leads that Atkinson met with include:
  - a. Richard Carrillo/Stan Holland – Wastewater Division
  - b. Bill Huey – Water Division
  - c. LeAnn Valdez – Engineering Division
  - d. Brian Drypolcher – Public Works Division
  - e. Ben Gurule/Frank Archuleta – Parks Division

In some cases, the contract was for on-call activities, meaning the City could obtain services from Advantage Asphalt for minor repairs. In other cases, the contract was for an entire project, such as the Santa Fe Trail project and Pueblos del Sols trail. The listing of projects that Advantage Asphalt was contracted for is listed below. Atkinson drove to all locations listed below to determine that projects were indeed worked on and/or completed.

RFB	Contract	Project(s) Completed
08/21/B	On Call Concrete Construction Services	Rufina & Alameda sidewalk improvements
		2006 ADA improvement projects
		Plaza concrete rehabilitation
		Rodeo Rd. curb ramps
		St. Michaels Dr. driveway

		Railyard rollover curb
		Transit yard asphalt patch
		Street resurfacing (Maclovina, Declovina, Milagra, Luna, Milagro Oro, Entrada de Oro)
08/37/B	On Call Concrete & Miscellaneous Construction Services	Palomino/Montano-Rio Vista @ Cielo Azul-Hickox driveway
		Calle Espejo drainage repair & Armijo St. overlay
		Siringo Rd. sidewalk
		Cerrillos Rd @ Railfan Rd left turn bay
		Arroyo Chamiso speed table reconstruction
		Sheridan/Palace bulb-outs & curb ramps
		Rufina St. connection - Jorgensen Rd to Harrison Rd.
09/01/B	Pueblos del Sol Asphalt Concrete Trails	Concrete trails located within the Pueblos del Sol subdivision
09/42/B	Santa Fe River Trail Construction	Santa Fe River Trail construction from Ricardo Rd. to Camino Alire
10/01/B	City Wide Water Utility Pavement Restoration Contract	300 block of Calle Loma Norte
		Camino San Patricio patch
		Cielo Azul patch
		231 Anita Pl. patch
		Camino Carlos Rey patch
		Parkside Dr. patch
		Delgado St. patch
		951 Acequia Madre patch
		1312 to 1320 Lujan St. patch
		Country Club Dr. patch

10/05/B	City Wide Sewer Line Spot Repair Contract	Duran St. repair
		Candelario St. repair
10/13/B	Ferguson Well Wall Construction	Cinder block wall constructed around Ferguson Well

4. Atkinson also discussed testing performed on asphalt and concrete installed by Advantage Asphalt. All project leads stated that there were no issues with the material installed by Advantage Asphalt. Additionally, we selected a sample of reports that were obtained from Lee Ann Valdez and Frank Archuletta, see **WP1347.4**. Testing is performed by BSN and they provide materials testing and analysis. BSN performed these services on jobs that were performed by Advantage Asphalt. Per review of the test reports, it appears that testing was performed on jobs on a routine basis. It also appears that requirements set forth by NMDOT were met with respect to concrete and asphalt.

**Conclusions:** Atkinson concludes that the contracts with Advantage Asphalt appear to be properly obtained through competitive bid, expenditures appear properly accounted for and within contracted amounts, and services appear to be complete and materials within engineering standards.